

# Fullerton SGD Heritage Growth

## March 2026

### Investment Objective

The investment objective of the Fund is to generate regular income and long-term capital appreciation for investors.

The Fund will invest primarily in a diversified portfolio of collective investment schemes, other investment funds, securities, including but not limited to fixed income securities, equities, real estate investment trusts (“REITs”), money market instruments and cash as deemed appropriate by us in accordance with its investment objective. In normal market conditions, the Fund aims to invest around 50% of the Fund’s NAV in Singapore securities (defined by country of risk) and/or SGD denominated securities, cash and cash equivalents, and/or non-SGD fixed income securities hedged back to SGD. The Fund may also invest in developed market equities (ex-Asia) for diversification reason.

### Fund Information

<b>Fund Size</b>	SGD 19.22 million
<b>Base Currency</b>	SGD
<b>Preliminary Charge</b>	Currently up to 3%
<b>Dealing Frequency</b>	Every Business Day
<b>Subscription Mode</b>	Cash, SRS

### Manager’s Commentary

#### Market Review

*(All returns are quoted in US dollar terms unless otherwise stated)*

Global markets suffered a sharp setback in March and ended Q1 2026 lower overall, as investors repriced the outlook in the face of escalating geopolitical risks, renewed inflation concerns from sharply higher energy prices and growing unease around pockets of leverage in the private-credit and AI ecosystems. After a constructive start to the year, US-Israel launched strikes on Iran on 28 February which signalled the start of the ongoing Middle East conflict that has since escalated and broadened to include other Gulf nations. This has also resulted in an effective closure of the Strait of Hormuz, which threatens to severely disrupt global energy supply the more prolonged the closure lasts. This has triggered a sharp spike in oil prices, rekindling inflation pressures and fears of a slowdown that would disproportionately impact energy-importing economies the most. Consequently, risk assets were hit by broad de-risking sentiment that saw most major markets decline in March, even as the longer-term macro backdrop remains one of broadly positive, albeit uneven, growth supported by fiscal measures and still-accommodative financial conditions.

The MSCI AC World Index declined 7.2% in March (-3.2% in Q1), with losses recorded across both developed and emerging markets. US equities retreated, with the S&P 500 falling 5% in March (-4.4% in Q1), while the Nasdaq dropped 4.8% in March (-7.1% in Q1) as investors reassessed elevated valuations and earnings expectations in AI-linked and growth segments against a more volatile policy and geopolitical backdrop. Europe also came under pressure, with MSCI Europe down 9.9% in March (-2.8% in Q1), as higher energy prices weighed on the region’s medium-term growth outlook even as fiscal spending in areas such as defence and infrastructure remained supportive. Japanese equities, which had benefitted from “Sanaenomics”, corporate governance reforms and a still-supportive policy mix, were not immune to the energy shock. MSCI Japan fell 12.4% in March given that Japan is a major net importer of oil, although it still eked a modest 1.4% gain over Q1, reflecting a degree of resilience despite currency and interest-rate volatility.

Across Asia ex-Japan, performance in March and Q1 highlighted both the region’s leverage to the global technology and semiconductor cycle and its sensitivity to geopolitical and domestic headwinds. The MSCI AC Asia ex-Japan Net Total Return Index declined -13.7% in March (-1.2% in Q1). Within this, MSCI Korea, which had previously been a notable beneficiary of AI-related semiconductor demand and governance reforms, fell 25.5% in March and ended the quarter with -16.5% overall. This was due to Korea being a higher-beta market which was disproportionately affected during the sharp global risk-off episode, and its strong rally in the first two months of 2026 also motivated some profit-taking action given more stretched valuations. Chinese equities also weakened, with MSCI China losing 7.7% in March and (-8.9% in Q1), as persistent property-sector stress, uneven domestic demand and heightened external uncertainty continued to weigh on sentiment despite a generally supportive policy stance.

Closer to home, Singapore equities faced headwinds in line with the broader global sell-off. The MSCI Singapore fell 5.5% in March (-3.6% in SGD terms), although the overall decline for Q1 was more modest at -1.0% (-0.8% in SGD terms), supported by resilient macro fundamentals and ongoing structural reforms. Singapore REITs underperformed the broader local equity market, declining -6.5% in March in SGD terms (-5.9% in Q1), as higher real-yield expectations and concerns around refinancing costs weighed on the interest rate-sensitive sector.

Global fixed income was marked by a reversal of earlier gains as the combination of higher energy prices and increased geopolitical risk challenged the benign disinflation narrative. The Bloomberg Global Aggregate Index declined 3.1% in March on an unhedged basis and 1.8% on a hedged basis (-1.1% and -0.2% respectively in Q1). US Treasury yields rose sharply given the macro backdrop, with the 10-year yield up almost 30 bps in March and 15 bps over Q1, reflecting a reassessment of growth and inflation expectations on top of already elevated fiscal and term-premia concerns. Asian investment-grade credit performed more defensively: the J.P. Morgan JACI Investment Grade Index declined 1.6% in March and 0.5% over Q1. Investment-grade spreads remained tight, consistent with solid corporate fundamentals but leaving limited buffer to absorb any renewed rise in term premia or deterioration in growth expectations.

Commodity markets experienced the most dramatic moves in Q1. Gold fell 11.6% in March as rising US yields and a stronger USD undermined its appeal and triggered profit-taking, outweighing safe-haven demand amidst the current Middle East conflict. However, gold's strong gains earlier in the quarter more than offset the sharp decline and the precious metal still recorded an increase of 8.1% over Q1, as investors sought safe-haven assets to hedge against policy uncertainty, fiscal strains and elevated geopolitical risk. Unsurprisingly, Brent crude oil prices spiked, rising 38% in March and 67.7% in Q1, as markets priced in a higher risk premium for supply disruptions linked to the Middle East conflict. The US dollar strengthened, with the DXY dollar index gaining 2.4% in March and 1.7% over Q1, partially reversing 2025 weakness as investors revisited the dollar's safe-haven role in the context of renewed geopolitical uncertainty.

### **Investment Outlook and Strategy**

We maintain our baseline view that resilient earnings coupled with moderating, albeit still somewhat elevated, inflation and gradual global rate easing can sustain growth and support risk assets going into 2026. However, we envision a bumpier path given the interaction between geopolitics, fiscal dynamics and the evolving AI investment cycle. The escalation of the Middle East conflict has introduced a new and significant source of uncertainty, particularly around energy supply and trade routes, and has reinforced the importance of incorporating tail-risk scenarios into our risk management framework.

We maintain a constructive yet selective stance on equities, and will continue to diversify allocations across regions and sectors nimbly to mitigate idiosyncratic and geopolitical risks. While we see scope for further upside in AI-led productivity, we are also cognisant of the vulnerability from the interconnectedness of the AI ecosystem. We are focused on identifying durable winners, while keeping a close watch on indicators which may suggest a pullback is imminent. We have also diversified our investment thesis in other broad themes, and continue to identify regional and thematic opportunities as they arise.

Within fixed income, we continue to emphasise broad diversification and balanced duration, prioritising high-quality carry and selective credit where spread compensation aligns with fundamentals and liquidity. Based on our view that DM government bonds, especially at the ultra-long end, are most exposed to higher term premia risk, we continue to favour credit over long-duration government bonds. We remain positive on Asian investment grade credit, especially high-quality issuers in sectors with resilient cash flows and robust fundamentals.

Importantly, we entered this phase of heightened volatility having already reduced equity risk across portfolios after assessing that the probability of tail-risk events had risen due to increasing Middle East tensions, AI-related disruption, and private credit concerns. During the month, we further de-risked the portfolios as part of our risk management approach. With the conflict still unfolding and a wide range of potential outcomes, we continue to monitor developments closely. On the flipside, we remain open-minded to re-risking opportunities should the narrative shift towards a more durable stabilisation that includes reopening of the Strait of Hormuz which will alleviate the oil shock. The impact of the conflict will be nuanced for different asset classes, which underscores the importance of continuously updating our market views and portfolio positioning as the narrative evolves.

We are keeping a close watch on incoming economic data and policy signals, including the evolution of global growth and inflation, and developments in geopolitics, fiscal policy, and AI. Against the current macro and geopolitical backdrop, we continue to place emphasis on a more dynamic approach to portfolio construction, diversification and nimbleness in reallocating capital while maintaining attention to robust tail-risk management.

**Performance (%)**

	1 month	3 months	6 months	1 year	3 years	5 years	Since Inception
<b>A-SGD (bid-to-bid)</b>	-10.14	-3.22	-0.11	11.20	5.71	-0.64	2.47
<b>A-SGD (offer-to-bid)</b>	-12.76	-6.04	-3.02	7.96	4.67	-1.22	2.03
<b>B-SGD (bid-to-bid)</b>	-10.14	-3.22	-0.11	11.20	5.71	-0.64	2.47
<b>B-SGD (offer-to-bid)</b>	-12.76	-6.04	-3.02	7.96	4.67	-1.22	2.03
<b>B1-USD (bid-to-bid)</b>	-9.98	-2.68	1.12	13.95	7.73	0.57	1.49
<b>B1-USD (offer-to-bid)</b>	-12.60	-5.52	-1.83	10.63	6.67	-0.02	0.93

Returns are calculated on a single pricing basis in SGD with net dividends and distributions (if any) reinvested. Offer-to-bid returns include an assumed preliminary charge of 3% which may or may not be charged to investors. Returns more than a year are annualised.

**Asset Allocation (%)<sup>1</sup>**

Equities	48.9
REITs	33.9
Fixed Income	3.5
Cash and cash equivalents	11.5

**Geographical Exposure (%)<sup>1,2</sup>**

Singapore	45.8
China	15.8
Korea	11.6
Taiwan	10.0
India	5.2
Hong Kong	2.3
Developed Markets	7.5
Others	1.8

**Top 5 Holdings (Equities, % of NAV)**

TSMC	4.8
Samsung Electronics Co Ltd	4.1
TENCENT HOLDINGS LTD	2.2
ALIBABA GROUP HOLDING	1.9
SK HYNIX INC	1.5

**Top 5 Holdings (Fixed Income, % of NAV)**

MEIJI YASUDA LIFE INSURA 6.1% JUN 2055	0.1
SNB FUNDING LTD 6% JUN 2035	0.1
DAI-ICHI LIFE INSURANCE 6.2% PERP	0.1
CREDIT AGRICOLE SA 6.447% FEB 2041	0.1
RIYAD SUKUK 6.209% JUL 2035	0.1

**Sector Exposure (%)<sup>1,2</sup>**

Real Estate	39.9
Information Technology	20.4
Financials	13.8
Industrials	9.1
Communication Services	5.9
Consumer Discretionary	5.1
Materials	2.3
Energy	1.6
Health Care	0.9
Consumer Staples	0.5
Utilities	0.4
Sovereigns & Supranational	0.0

**Top 5 Holdings (REITs, % of NAV)**

CapitaLand Integrated Commercial Trust	8.1
CapitaLand Ascendas REIT	5.9
Keppel DC REIT	3.0
Mapletree Logistics Trust	2.9
Mapletree Pan Asia Commercial Trust	2.4

**Fund Statistics**

<b>Fixed Income</b>	
Duration	4.9 years
Average Credit Rating <sup>3</sup>	BBB+
Yield-to-Worst <sup>4</sup>	5.3%
<b>Equities</b>	
Dividend Yield	1.6%
Price to Book	2.7x
Price to Earnings	20.1x
<b>S-REITs</b>	
Dividend Yield	5.4%
Price to Book	1.0x
Price to Earnings	18.2x

**Dividend History<sup>5</sup>**

	Dividend / share	Record Date
Class B	SGD 0.0019	27 Feb 2026
Class B	SGD 0.0017	31 Mar 2026
Class B1	USD 0.0017	27 Feb 2026
Class B1	USD 0.0016	31 Mar 2026

**Fund Details**

	Class A	Class B (Distribution)
<b>Inception Date</b>	21 May 2019	21 May 2019
<b>NAV per Unit<sup>6</sup></b>	SGD 1.18	SGD 1.04
<b>Management Fee</b>	Currently 0.98% p.a.	Currently 0.98% p.a.
<b>Initial Investment</b>	None	None
<b>Subsequent Investment</b>	None	None
<b>ISIN Code</b>	SGXZ46560496	SGXZ95987400
<b>Bloomberg Code</b>	FULSHGA SP	FULSHGB SP

  

	Class B1 (Distribution)	Class B2 (Distribution)
<b>Inception Date</b>	26 Nov 2020	To be incepted
<b>NAV per Unit<sup>6</sup></b>	USD 0.98	To be incepted
<b>Management Fee</b>	Currently 0.98% p.a.	Currently 0.50% p.a.
<b>Initial Investment</b>	None	USD 1 million
<b>Subsequent Investment</b>	None	USD 1 million
<b>ISIN Code</b>	SGXZ63766596	SGXZ92251610
<b>Bloomberg Code</b>	FULSHG1 SP	FULSHGU SP

Note: All fund data are sourced from Fullerton, Bloomberg dated as at 31 March 2026, unless otherwise stated.

1. Numbers might not add due to rounding.
2. Geographical and Sector exposures exclude derivatives, cash and cash equivalents.
3. Where the security is not rated by external rating agencies, Fullerton's internal rating methodology will apply.
4. Refers to Yield-to-Worst in base currency, before hedging.
5. Distribution amount is not guaranteed. Please refer to our website for more details on the dividend payouts.
6. Figures are truncated to 2 decimal places. Please refer to Fullerton's website for official price.

For further information on Fullerton and its funds:

**Fullerton Fund Management Company Ltd**  
 3 Fraser Street #09-28  
 DUO Tower  
 Singapore 189352

T +65 6808 4688  
 F +65 6417 6805  
[fullertonfund.com](http://fullertonfund.com)

This publication is for information only and your specific investment objectives, financial situation and needs are not considered here. The value of units in the Fund and any accruing income from the units may fall or rise. Any past performance, prediction or forecast is not indicative of future or likely performance. Any past payout yields and payments are not indicative of future payout yields and payments. Distributions (if any) may be declared at the absolute discretion of Fullerton Fund Management Company Ltd (UEN: 200312672W) ("Fullerton") and are not guaranteed. Distribution may be declared out of income and/or capital of the Fund, in accordance with the prospectus. Where distributions (if any) are declared in accordance with the prospectus, this may result in an immediate reduction of the net asset value per unit in the Fund. Applications must be made on the application form accompanying the prospectus, which can be obtained from Fullerton or its approved distributors. You should read the prospectus and seek advice from a financial adviser before investing. If you choose not to seek advice, you should consider whether the Fund is suitable for you. The Fund may use or invest in financial derivative instruments. Please refer to the prospectus of the Fund for more information.

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

Please refer to <https://www.fullertonfund.com/use-of-third-party-data-information/> for disclaimers on use of data from third parties.

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.